

The City Council met in special joint session with the Redevelopment Agency at the hour of 1:30 p.m. in the Council Chamber, City Hall, on the day above written.

Present:	Oliver Baines III	Councilmember
	Andreas Borgeas	Councilmember
	Clinton Olivier	Acting Council President
	Sal Quintero	Councilmember
	Larry Westerlund	Councilmember
	Blong Xiong	Councilmember
	Lee Brand	Council President

Mark Scott, City Manager  
Bruce Rudd, Assistant City Manager  
Jim Sanchez, City Attorney  
Becky Klisch, City Clerk  
Yolanda Salazar, Assistant City Clerk

Roll was called and President Brand led the Pledge of Allegiance.

(‘A’) JOINT RESOLUTION – MAKING CERTAIN FINDINGS PURSUANT TO CEQA AND COMMUNITY REDEVELOPMENT LAW, AND AUTHORIZING THE AGENCY’S CONSTRUCTION OF EAST AVENUE IMPROVEMENTS, RDA PROJECT NO. 39-392, LOCATED WITHIN THE SOUTH FRESNO INDUSTRIAL REVITALIZATION PROJECT AREA (UTILITY TRAILERS SALES OF CENTRAL CALIFORNIA, INC., EXPANSION)

#1 AWARD A CONTRACT IN THE AMOUNT OF \$441,936.30 TO B&B CONSTRUCTION SERVICES FOR THE EAST AVENUE IMPROVEMENT PROJECT (Agency action)

(‘B’) ADOPT FINDING OF A CEQA CATEGORICAL EXEMPTION FOR DEMOLITION AND CLEARANCE OF BUILDINGS LOCATED AT VENTURA AND “M” STREETS IN THE CONVENTION CENTER REDEVELOPMENT AREA (2304-2316 VENTURA, AND 546-550 “M” STREET) (Agency action)

#1 AWARD A CONTRACT TO THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER FOR THE DEMOLITION PROJECT (Agency action)

(‘C’) AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO AN OWNER PARTICIPATION AGREEMENT (OPA) BETWEEN THE RDA AND HARRY R. BOYAJIAN AND DANIEL C. BOYAJIAN FOR APN 466-182-29 AND 40 IN THE FULTON REDEVELOPMENT PROJECT AREA (Agency action)

#1 AGENCY RESOLUTION – APPROVING WAIVERS TO THE CRITERIA FOR THE SELECTION OF OWNER PARTICIPANTS IN THE REDEVELOPMENT AREAS AND APPROVING AN OPA WITH HARRY R. BOYAJIAN AND DANIEL C. BOYAJIAN

(‘D’) JOINT RESOLUTION – APPROVING A REDEVELOPMENT GRANT AGREEMENT BETWEEN THE 21<sup>ST</sup> DISTRICT AGRICULTURAL ASSOCIATION, THE BIG FRESNO FAIR, AND THE REDEVELOPMENT AGENCY FOR GRANT FUNDS IN THE AMOUNT OF \$150,000, AND MAKING CERTAIN FINDINGS PURSUANT TO COMMUNITY REDEVELOPMENT LAW TO HELP FUND IMPROVEMENTS BY THE BIG FRESNO FAIR ALONG KINGS CANYON ROAD

(‘E’) AGENCY RESOLUTION – AUTHORIZING DEPOSIT OF TAX-INCREMENT FUNDS INTO THE LOW AND MODERATE INCOME HOUSING FUND FOR THE SOUTHEAST FRESNO REVITALIZATION PROJECT AREA

(‘F’) AGENCY RESOLUTION – AUTHORIZING DEPOSIT OF TAX INCREMENT FUNDS INTO THE LOW AND MODERATE INCOME HOUSING FUND FOR THE SOUTHWEST FRESNO GNRA PROJECT AREA

(‘G’) AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE RDA AND EDISON PLAZA PARTNERS, LP, FOR A MIXED-INCOME/MULTI-FAMILY HOUSING PROJECT SOUTH OF LORENA STREET AND WEST OF WALNUT STREET (JOINT action)

**#1 JOINT RESOLUTION – APPROVING THE DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) BETWEEN THE RDA AND EDISON PLAZA PARTNERS, LP, AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS AND MAKING CERTAIN FINDINGS**

**(‘H’) ADOPT FINDING OF A CEQA CATEGORICAL EXEMPTION FOR DEVELOPMENT OF A 19-UNIT MIXED-USE RESIDENTIAL PROJECT LOCATED AT 1608 BROADWAY STREET IN THE FULTON REDEVELOPMENT PROJECT AREA (Agency action)**

**#1 APPROVE AN OWNER PARTICIPATION AGREEMENT BETWEEN THE RDA AND FFDA, INC., FOR THE MIXED-USE RESIDENTIAL PROJECT (Agency action)**

**(‘I’) ADOPT FINDING OF A CEQA CATEGORICAL EXEMPTION FOR DEVELOPMENT OF A 27-UNIT MIXED-USE RESIDENTIAL PROJECT LOCATED AT 1636-1660 BROADWAY STREET WITHIN THE FULTON REDEVELOPMENT PROJECT AREA (Agency action)**

**#1 APPROVE AN OWNER PARTICIPATION AGREEMENT BETWEEN THE RDA AND FFDA, INC., FOR DEVELOPMENT OF THE MIXED-USE RESIDENTIAL PROJECT (Agency action)**

**(‘J’) JOINT RESOLUTION – APPROVING A REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF FRESNO AND THE RDA, MAKING CERTAIN FINDINGS PURSUANT TO COMMUNITY REDEVELOPMENT LAW, AND AUTHORIZING THE RDA TO REIMBURSE COSTS FOR INSTALLING VARIOUS PUBLIC IMPROVEMENTS LOCATED WITHIN OR OUTSIDE THE AIRPORT AREA REVITALIZATION REDEVELOPMENT PROJECT AREA**

**(‘K’) AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A PURCHASE AND SALE AGREEMENT WITH THE CITY OF FRESNO FOR APN 493-020-19 LOCATED WITHIN THE AIRPORT AREA REVITALIZATION REDEVELOPMENT PROJECT AREA, AND TAKE ALL OTHER NECESSARY ACTIONS (JOINT action)**

**#1 APPROVE A DEED OF TRUST AGAINST PROPERTY APN 493-202-19 IN FAVOR OF THE CITY OF FRESNO**

**(‘L’) AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A PURCHASE AND SALE AGREEMENT WITH SABB, INC., FOR APN 448-030-04 LOCATED WITHIN THE SOUTH VAN NESS INDUSTRIAL REVITALIZATION PROJECT AREA (Agency action)**

**(‘M’) ADOPT FINDING OF A CEQA CATEGORICAL EXEMPTION FOR DEVELOPMENT OF A 62-UNIT MIXED-USE RESIDENTIAL PROJECT AT FULTON AND CALAVERAS STREETS CURRENTLY OWNED BY THE CITY OF FRESNO CULTURAL ARTS PROPERTIES (COFCAP) (Agency action)**

**#1 APPROVE AN OWNER PARTICIPATION AGREEMENT BETWEEN THE RDA AND FFDA PROPERTIES, LLC FOR DEVELOPMENT OF THE MIXED-USE RESIDENTIAL PROJECT (Agency action)**

**(‘N’) ACTIONS RELATING TO AGENCY FINANCING OF THE PROPOSED REHABILITATION OF THE FORMER HOTEL FRESNO BUILDING LOCATED AT 1263 BROADWAY PLAZA WITHIN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA (Agency actions)**

**#1 ADOPT FINDING OF A CEQA CATEGORICAL EXEMPTION FOR REHABILITATION OF THE FORMER HOTEL FRESNO INTO A 72-UNIT MIXED-USE, MIXED-INCOME DEVELOPMENT**

**#2 APPROVE AN OWNER PARTICIPATION AGREEMENT BETWEEN THE RDA AND HOTEL FRESNO, LLC FOR THE REHABILITATION PROJECT**

**(‘O’) JOINT RESOLUTION – AUTHORIZING THE EXECUTION OF A COOPERATIVE AGREEMENT BETWEEN THE RDA AND THE CITY OF FRESNO FOR THE EXPENDITURE OF TAX INCREMENT FUNDS FOR SPECIFIED PUBLIC IMPROVEMENTS AND REDEVELOPMENT ACTIVITIES AND ADOPTING FINDINGS REQUIRED BY HEALTH AND SAFETY CODE SECTION 33445 (JOINT action)**

Chair Westerlund stated the impetus of scheduling this special joint meeting and moving the above items from the regular March 10<sup>th</sup> Council meeting to today was because a vote of the state Legislature could occur Wednesday or Thursday in Sacramento on the Governor’s budget proposal to eliminate RDAs statewide; stated what the Governor was proposing was illegal and unconstitutional for three reasons: Proposition 22, Proposition 1A, and contract provisions in the state constitution and explained; elaborated further on the issue including the proposed establishment of a “successor agency” who would report to a new oversight board; and stated the joint bodies were being asked this day to enter into contracts to continue projects that are already in the pipeline at various stages and also consider entering into a Cooperation Agreement which a number of cities have done.

Upon question of Councilmember Borgeas Government Affairs Manager Stevens stated there could very well be a vote as soon as Wednesday or Thursday but it could also happen next week, and added the Governor needed two republican votes in the senate and the assembly to pass his proposal but that could change at any time. Councilmember Borgeas stated he appreciated the sounding of the alarm to be prepared, advised he reached out to some representatives this morning and was told the vote probably was not going to transpire in the next two days as negotiations were on-going, and stated because of that he had some concerns with jumping into these projects and also expressed concern with receiving some documentation just this morning. Councilmembers Borgeas and Baines presented questions and/or comments relative to how difficult it would be for the state counsel to enact a retroactivity clause, being very uncomfortable with bringing in these projects through Council so aggressively, if the City could be at risk of endangering itself by facilitating these projects needlessly, if these actions could wait until Thursday, how long it took staff to get these staff reports together, need for Council to ask for more time if information is lacking, if litigation was anticipated, and expected timeline to litigate, with City Attorney Sanchez, Ms. Stevens and Chair Westerlund responding throughout. Chair Westerlund and Ms Stevens spoke additionally to the proposal put forth by the Big 10 Mayors, to the call for reform from some elected legislators, to efforts to try to negotiate/allow RDAs to continue in their existence, even in a lower level, falling on deaf ears, to the League of California Cities Board actions, to the State Controller's audit of 18 RDAs and Fresno coming out very clean, and to a press conference scheduled at 3:30 p.m. this date focusing on the LCC's opposition to the RDA proposal.

**(‘A’) JOINT RESOLUTION NO. 2011-38/1782 – MAKING CERTAIN FINDINGS PURSUANT TO CEQA AND COMMUNITY REDEVELOPMENT LAW, AND AUTHORIZING THE AGENCY’S CONSTRUCTION OF EAST AVENUE IMPROVEMENTS, RDA PROJECT NO. 39-392, LOCATED WITHIN THE SOUTH FRESNO INDUSTRIAL REVITALIZATION PROJECT AREA (UTILITY TRAILERS SALES OF CENTRAL CALIFORNIA, INC., EXPANSION)**

**#1 AWARD A CONTRACT IN THE AMOUNT OF \$441,936.30 TO B&B CONSTRUCTION SERVICES FOR THE EAST AVENUE IMPROVEMENT PROJECT (Agency action)**

Project Manager Quiring reviewed the issue and recommended approval, all as contained in the staff report as submitted.

Upon question of Chair Westerlund Mr. Quiring and Executive Director Murphey stated Utility Trailers originally employed about 40 people, approximately 21 were added in the process, they completed their expansion, they consolidated some of their operations from northern California into Fresno, and they also constructed a 100,000 square foot building to the south. Councilmember Borgeas left the meeting briefly at 2:02 p.m. Councilmember Baines expressed his support stating the area was badly in need of repair and made a motion to approve. Upon further question of Chair Westerlund Ms. Murphey confirmed the actual dollars were in hand to expend on all the contracts coming forward.

On motion of Councilmember/Member Baines, seconded by Councilmember/Member Quintero, duly carried, RESOLVED, the above entitled Joint Resolution No. 2011-38/1782 hereby adopted, and the subject contract for the project awarded by the Agency Board to B&B Construction Services, by the following vote:

Ayes	:	Baines, Brand, Olivier, Quintero, Xiong, Westerlund
Noes	:	None
Absent	:	Borgeas

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**(‘B’) ADOPT FINDING OF A CEQA CATEGORICAL EXEMPTION FOR DEMOLITION AND CLEARANCE OF BUILDINGS LOCATED AT VENTURA AND “M” STREETS IN THE CONVENTION CENTER REDEVELOPMENT AREA (2304-2316 VENTURA, AND 546-550 “M” STREET) (Agency action)**

**#1 AWARD A CONTRACT TO THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER FOR THE DEMOLITION PROJECT (Agency action)**

Councilmember Borgeas returned to the meeting at 2:04 p.m. Executive Director Murphey reviewed the issue and recommended approval, all as contained in the staff report as submitted.

On motion of Member Baines, seconded by Member Band, duly carried, RESOLVED, the finding of a CEQA Categorical Exemption hereby adopted, and the subject contract for the project awarded by the Agency Board to Bowen Engineering and Environmental in the amount of \$34,500, by the following vote:

Ayes : Baines, Borgeas, Brand, Olivier, Quintero, Xiong, Westerlund  
Noes : None  
Absent : None

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(‘C’) AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO AN OWNER PARTICIPATION AGREEMENT (OPA) BETWEEN THE RDA AND HARRY R. BOYAJIAN AND DANIEL C. BOYAJIAN FOR APN 466-182-29 AND 40 IN THE FULTON REDEVELOPMENT PROJECT AREA (Agency action)  
**#1 RESOLUTION NO. 1783** – APPROVING WAIVERS TO THE CRITERIA FOR THE SELECTION OF OWNER PARTICIPANTS IN THE REDEVELOPMENT AREAS AND APPROVING AN OPA WITH HARRY R. BOYAJIAN AND DANIEL C. BOYAJIAN

Executive Director Murphey introduced the item and Project Manager Perez reviewed the issue and recommended approval, all as contained in the staff report as submitted. Ms. Murphey added the OPA also entailed a lease and it would make way for additional needed parking for Iron Bird Lofts. Vice Chair Olivier briefly left the meeting at 2:09 p.m. City Clerk Klisch added an Agency resolution was associated with the item and included in the packet for action but the title was inadvertently omitted from the agenda. Member Brand spoke briefly to how he and Ms. Murphey met with the property owners and were able to address their concerns on condemnation and extension of the area plan and make an agreement with them.

On motion of Member Baines, seconded by Member Quintero, duly carried, RESOLVED, the Executive Director authorized to enter into the subject OPA with Harry R. Boyajian and Daniel C. Boyajian, and the above entitled Resolution No. 1783 hereby adopted, by the following vote:

Ayes : Baines, Borgeas, Brand, Quintero, Xiong, Westerlund  
Noes : None  
Absent : Olivier

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Acting President Olivier returned to the meeting at 2:11 p.m.

(‘D’) **JOINT RESOLUTION NO. 2011-39/1784** – APPROVING A REDEVELOPMENT GRANT AGREEMENT BETWEEN THE 21<sup>ST</sup> DISTRICT AGRICULTURAL ASSOCIATION, THE BIG FRESNO FAIR, AND THE REDEVELOPMENT AGENCY FOR GRANT FUNDS IN THE AMOUNT OF \$150,000, AND MAKING CERTAIN FINDINGS PURSUANT TO COMMUNITY REDEVELOPMENT LAW TO HELP FUND IMPROVEMENTS BY THE BIG FRESNO FAIR ALONG KINGS CANYON ROAD

Project Manager Perez reviewed the issue and recommended approval, all as contained in the staff report as submitted.

Upon the request of Councilmember Quintero, John Alkire, Chief Executive Officer of The Big Fresno Fair, spoke to the changes that have been made to the fair and the importance of adding amenities. Councilmember Quintero thanked Mr. Alkire, the RDA, and former Councilmember Dages for all their work to continue improvements and events at the fairgrounds and made a motion to approve. Upon question of Councilmember Borgeas, Executive Director Murphey spoke to the improvements that will be made as indicated on Exhibit C of the Grant Agreement **(2 – 0)**. Councilmember Borgeas stated he was not comfortable with the volume of information and receiving material just a few hours ago and would cast a “friendly no” vote.

On motion of Councilmember/Member Quintero, seconded by Councilmember/Member Xiong, duly carried, RESOLVED, the above entitled Joint Resolution No. 2011-39/1784 hereby adopted, by the following vote:

Ayes : Baines, Brand, Olivier, Quintero, Xiong, Westerlund  
Noes : Borgeas  
Absent : None

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(‘E’) **AGENCY RESOLUTION NO. 1785** – AUTHORIZING DEPOSIT OF TAX-INCREMENT FUNDS INTO THE LOW AND MODERATE INCOME HOUSING FUND FOR THE SOUTHEAST FRESNO REVITALIZATION PROJECT AREA

Executive Director Murphey reviewed the issue and recommended approval, all as contained in the staff report as submitted, and upon question of Chair Westerlund stated the awarding of contracts would come back to the Agency board. Chair Westerlund and Member Quintero expanded further on the issue and the dire need for housing and commercial in the area and a motion was made to adopt the resolution.

Members Xiong, Brand, Baines and Borgeas presented questions, comments and/or concerns relative to the 80/20 split, possible wrong perception with the movement of funds, legalities/legal concerns, previous work by AMCAL and concern with their high square footage cost to build, if money has ever been moved from the 80% to the 20%, if the funds were being moved for protection should RDAs be eliminated, if dollars were being encumbered that have not yet been allocated, non-comfort/feeling this is turning into a shell game, and concern with mistakes being made while in a panic, with Ms. Murphey, City Attorney Sanchez and Chair Westerlund responding/clarifying issues throughout.

On motion of Member Quintero, seconded by Member Baines, duly carried, RESOLVED, the above entitled Agency Resolution No. 1785 hereby adopted, by the following vote:

Ayes	:	Baines, Quintero, Xiong, Westerlund
Noes	:	Borgeas, Brand, Olivier
Absent	:	None

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**(‘F’) JOINT RESOLUTION NO. 2011-40/1786 – AUTHORIZING DEPOSIT OF TAX INCREMENT FUNDS INTO THE LOW AND MODERATE INCOME HOUSING FUND FOR THE SOUTHWEST FRESNO GNRA PROJECT AREA (EDISON PLAZA PARTNERS PHASE II AND CALIFORNIA TRIANGLE AFFORDABLE MIXED-USE RESIDENTIAL DEVELOPMENTS)**

City Clerk Klisch advised this was a joint resolution. Executive Director Murphey reviewed the issue and recommended approval, all as contained in the staff report as submitted. Upon question of Chair Westerlund Ms. Murphey stated Item “F” funding would support both Items “F” (two potential projects) and upcoming item “G” (one specific project). Councilmember Baines expanded further on the issue and expressed his support for the projects and the developers and made a motion to approve.

On motion of Councilmember/Member Baines, seconded by Councilmember/Member Brand, duly carried, RESOLVED, the above entitled Joint Resolution No. 2011-40/1786 hereby adopted, by the following vote:

Ayes	:	Baines, Brand, Olivier, Quintero, Xiong, Westerlund
Noes	:	Borgeas
Absent	:	None

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**(‘G’) AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) BETWEEN THE REDEVELOPMENT AGENCY AND EDISON PLAZA PARTNERS, LP, FOR A MIXED-INCOME MULTI-FAMILY HOUSING PROJECT SOUTH OF LORENA STREET AND WEST OF WALNUT STREET (JOINT action)**  
**#1 JOINT RESOLUTION NO. 2011-41/1787 – APPROVING THE DDA BETWEEN THE RDA AND EDISON PLAZA PARTNERS, LP, AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS, AND MAKING CERTAIN FINDINGS**

Project Manager Cox reviewed the issue and recommended approval, all as contained in the staff report as submitted.

Brian Glover with The Penstar Group, representing the developers, displayed renderings of the project and expanded further on the project. Councilmember Baines stated this project complimented item “F” that was just approved and spoke in support and made a motion to approve.

On motion of Councilmember/Member Baines, seconded by Councilmember/Member Quintero, duly carried, RESOLVED, the Executive Director authorized to enter into the subject DDA with Edison Plaza partners, LP, and the above entitled Joint Resolution No. 2011-41/1787 hereby adopted, by the following vote:

Ayes	:	Baines, Borgeas, Brand, Olivier, Quintero, Xiong, Westerlund
Noes	:	None
Absent	:	None

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**(‘H’) ADOPT FINDING OF A CEQA CATEGORICAL EXEMPTION FOR DEVELOPMENT OF A 19-UNIT MIXED-USE RESIDENTIAL PROJECT LOCATED AT 1608 BROADWAY STREET IN THE FULTON REDEVELOPMENT PROJECT AREA**  
**(Agency action)**

**#1 APPROVE AN OWNER PARTICIPATION AGREEMENT (OPA) BETWEEN THE REDEVELOPMENT AGENCY AND FFDA, INC., FOR THE MIXED-USE RESIDENTIAL PROJECT (Agency action)**

Project Manager Barletta reviewed the issue and recommended approval, all as contained in the staff report as submitted.

Developer Darius Assemi expanded further on the project.

Member Baines expressed his support for the project and commended Granville Homes and the Assemis for being pioneers in this industry and made a motion to approve staff’s recommendation. Member Brand stated the other side of the “rush” concern was some of the projects being considered this date, including this one, were projects by developers who are spending money out of their own pockets and who have put in 2, 3, 4 years of time and money and clearly demonstrated their commitment and he felt the City had an obligation to honor that commitment. Chair Westerlund concurred and added there were less than a handful of developers developing downtown, the ones who have partnered with the city have done well, he also had the concern about having to move more expeditiously but stated the city has never been faced with the elimination of the RDA and further elaborated, and upon his questions Executive Director Murphey confirmed the usual analysis is being done on all these projects as they have come forth and the investment by the Agency for this project per affordable unit was consistent with past actions.

On motion of Member Baines, seconded by Member Quintero, duly carried, RESOLVED, the finding of a CEQA Categorical Exemption hereby adopted, and the subject OPA between the Redevelopment Agency and FFDA, Inc., hereby approved, by the following vote:

Ayes	:	Baines, Borgeas, Brand, Olivier, Quintero, Xiong, Westerlund
Noes	:	None
Absent	:	None

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**(‘I’) ADOPT FINDING OF A CEQA CATEGORICAL EXEMPTION FOR DEVELOPMENT OF A 27-UNIT MIXED-USE RESIDENTIAL PROJECT LOCATED AT 1636-1660 BROADWAY STREET WITHIN THE FULTON REDEVELOPMENT PROJECT AREA**  
**(Agency action)**

**#1 APPROVE AN OWNER PARTICIPATION AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY AND FFDA, INC., FOR DEVELOPMENT OF THE MIXED-USE RESIDENTIAL PROJECT (Agency action)**

Project Manager Barletta reviewed the issue and recommended approval, all as contained in the staff report as submitted  
**(3 – 0).**

Developer Darius Assemi stated this was part two of the previous project, the details were included in the staff report, and he was available to answer any questions.

A motion and second was made to approve staff’s recommendation. Member Xiong stated someone from the outside may feel the RDA is concentrating on only one developer and upon his request Executive Director Murphey and Chair Westerlund clarified the RDA welcomes all proposals, identified other developers that are all doing mixed-use projects, stated these were return developers because they believed in downtown, and the RDA would continue to be open to anyone and particularly the developers who have purchased property and now want to build.

On motion of Member Baines, seconded by Member Brand, duly carried, RESOLVED, the finding of a CEQA Categorical Exemption hereby adopted, and the subject OPA between the Redevelopment Agency and FFDA, Inc., hereby approved, by the following vote:

Ayes	:	Baines, Borgeas, Brand, Olivier, Quintero, Xiong, Westerlund
Noes	:	None
Absent	:	None

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**(‘J’) JOINT RESOLUTION NO. 2011-42/1788 – APPROVING A REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF FRESNO AND THE REDEVELOPMENT AGENCY (RDA), MAKING CERTAIN FINDINGS PURSUANT TO COMMUNITY REDEVELOPMENT LAW, AND AUTHORIZING THE RDA TO REIMBURSE COSTS FOR INSTALLING VARIOUS PUBLIC IMPROVEMENTS LOCATED WITHIN OR OUTSIDE THE AIRPORT AREA REVITALIZATION REDEVELOPMENT PROJECT AREA, as amended, eliminating a paragraph with duplicate CEQA language**

Project Manager Quiring reviewed the issue and recommended approval, all as contained in the staff report as submitted, advised of a correction to the resolution eliminating a paragraph containing duplicate CEQA language, and responded to questions and/or comments of Chair Westerlund and Councilmember Borgeas relative to whether the funds would come out of the new airport project area surrounding The Gap, if reimbursement will occur over a number of years as tax increment becomes available, and meaning of “within or outside” the project area.

On motion of Chair Westerlund, seconded by Councilmember Borgeas, duly carried, RESOLVED, the above entitled Joint Resolution No. 2011-42/1788 hereby adopted, by the following vote:

Ayes	:	Baines, Borgeas, Brand, Olivier, Quintero, Xiong, Westerlund
Noes	:	None
Absent	:	None

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**(‘K’) AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A PURCHASE AND SALE AGREEMENT WITH THE CITY OF FRESNO FOR APN 493-020-19 LOCATED WITHIN THE AIRPORT AREA REVITAIZATION REDEVELOPMENT PROJECT AREA, AND TAKE ALL OTHER NECESSARY ACTIONS (FORMER PALM LAKES GOLF COURSE) (JOINT action)**

**#1 APPROVE A DEED OF TRUST AGAINST PROPERTY APN 493-202-19 IN FAVOR OF THE CITY OF FRESNO**

Project Manager Quiring submitted an area map for clarification purposes and reviewed the issue and recommended approval, all as contained in the staff report as submitted.

Chair Westerlund stated he was familiar with the project and elaborated on the history of the Palm Lakes property and it being appropriate for the Agency to purchase a portion due to their experience and expertise to advance the property to its best use, and made a motion to approve staff’s recommendation, which motion was seconded by Member Baines.

**RECESS – 3:30 P.M. – 3:52 P.M.** The joint bodies recessed to participate in the press conference opposing the Governor’s RDA proposal.

Lengthy discussion ensued with Chair Westerlund, Executive Director Murphey, ACM Rudd, City Attorney Sanchez and Mr. Quiring responding to numerous questions/comments of Members Borgeas, Xiong and Brand relative to it being unusual to sell the property to the RDA, if there was any interest from the private sector, if there was a determination of existing blight/how jurisdiction can be asserted through the RDA on this property, the air and light easement, if the property has been put out as marketable property, the Blosser property in northwest Fresno, if the incentive to sell to the RDA was to balance the budget, concern with the City not putting the property out on the market, lack of discussion on the City side and concern with this proposal at this time, if the appraisal was based on current zoning, the fragmented parcels/roads and if the property was worth the \$1.7+ million, if staff was satisfied with the purchase price, and this transaction being logical and prudent based on what the Agency does. Councilmember Borgeas stated he was concerned Council was giving itself a false sense of assurance that commitments made today will survive the possible demise of the RDA, he felt the motivation here was more to fill the general fund gap, and some issues just got resolved a couple of weeks ago, information was received late, and he would cast another “friendly no” vote.

On motion of Chair Westerlund, seconded by Councilmember Baines, duly carried, RESOLVED, the Executive Director authorized to enter into a Purchase and Sale Agreement with the City of Fresno for APN 493-020-19 and take all other necessary actions, and a Deed of Trust against the property in favor of the City of Fresno hereby approved, by the following vote:

Ayes	:	Baines, Brand, Olivier, Quintero, Westerlund
Noes	:	Borgeas, Xiong
Absent	:	None

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(‘L’) AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A PURCHASE AND SALE AGREEMENT WITH SABB, INC., (ST. ANTHONY’S BREAD BASKET) FOR APN 448-030-04 LOCATED WITHIN THE SOUTH VAN NESS INDUSTRIAL REVITALIZATION PROJECT AREA (Agency action)

Project Manager Quiring reviewed the issue and recommended approval, all as contained in the staff report as submitted; stated staff recently worked extensively with Pana Pacific, one of the five identified companies in the South Van Ness area, in their search for a larger continuous piece of land to grow and advised Pana Pacific was interested in a portion and possibly all of the property and an Option Agreement was also included in the Board’s packet; and clarified issues relative to the appraisal and responded to questions of Member Baines relative to the Pana Pacific proposal. A motion and second was made to approve staff’s recommendation. Chair Westerlund expanded further on the issue and commended all involved.

On motion of Member Baines, seconded by Vice Chair Olivier, duly carried, RESOLVED, the Executive Director authorized to enter into a Purchase and Sale Agreement with SABB, Inc., and an Option Agreement Pana Pacific, and take all necessary actions, by the following vote:

Ayes	:	Baines, Borgeas, Brand, Olivier, Quintero, Xiong, Westerlund
Noes	:	None
Absent	:	None

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(‘M’) ADOPT FINDING OF A CEQA CATEGORICAL EXEMPTION FOR DEVELOPMENT OF A 62-UNIT MIXED-USE RESIDENTIAL PROJECT AT FULTON AND CALAVERAS STREETS CURRENTLY OWNED BY THE CITY OF FRESNO CULTURAL ARTS PROPERTIES (COFCAP) (Agency action)  
#1 APPROVE AN OWNER PARTICIPATION AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY (RDA) AND FFDA PROPERTIES, LLC FOR DEVELOPMENT OF THE MIXED-USE RESIDENTIAL PROJECT

Chair Westerlund introduced the item stating this was the result of the RFQ that was issued and was the property surrounding the Met Museum, and Project Manager Barletta reviewed the issue and recommended approval, all as contained in the staff report as submitted.

Developer Darius Assemi submitted preliminary design drawings and elevation renderings to the joint bodies and expanded further on the project and types of units. Chair Westerlund added the RFQ was done jointly by the City/DCR department and the RDA, and DCR Director Scharton spoke to the importance of the project in terms of downtown revitalization. Mr. Assemi spoke to how downtown revitalization was important to him and to the challenges and economics of developing downtown.

Executive Director Murphey stated this OPA was contingent upon the conveyance of the property by the COFCAP, and made a correction to Exhibit C/footnote 3, that the agreement was conditioned upon the developer’s acquisition of the former PG&E building that is part of this project.

Member Baines stated he was very excited about the project, extended his appreciation to Mr. Assemi for his dedication and contribution and commended staff for their work, and made a motion to approve, which was seconded by Chair Westerlund.

Ms. Barletta, Executive Director Murphey and Mr. Assemi responded to questions and/or comments of Members Brand, Borgeas and Baines relative to specifics of the loan term including (**5 – 0**) amortization and acceleration clause, the RFQ being issued back in December 2009 and why this item took so long to get here, if the downtown specific plan was the reason for the delay, if the consultant for the downtown plan made specific recommendations, if the consultant caused the delay, if there would be adequate parking, timeline to start construction, the project being a tremendous addition to the area, the RDA’s financial contribution, number of affordable units, if the units would start as apartments and go to condominiums, viability of apartments, if there has ever been a 45-year loan term, the former PG&E building, and meaning of “highly amenitized”. Chair Westerlund thanked staff for their work on this joint proposal and the Agency for seeing the vision, stated with the number of developments significant changes will be seen downtown, and expanded further on reasons for the delay.

On motion of Member Baines, seconded by Chair Westerlund, duly carried, RESOLVED, the finding of a Categorical Exemption for the project hereby adopted, and the subject OPA between the RDA and FFDA Properties, LLC for development of the mixed-use residential project hereby approved, by the following vote:



Ayes : Baines, Borgeas, Brand, Olivier, Quintero, Xiong, Westerlund  
Noes : None  
Absent : None

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(‘N’) ACTIONS RELATING TO AGENCY FINANCING OF THE PROPOSED REHABILITATION OF THE FORMER HOTEL FRESNO BUILDING LOCATED AT 1263 BROADWAY PLAZA WITHIN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA (Agency actions)

#1 ADOPT FINDING OF A CEQA CATEGORICAL EXEMPTION FOR REHABILITATION OF THE FORMER HOTEL FRESNO INTO A 72-UNIT MIXED-USE, MIXED-INCOME DEVELOPMENT

#2 APPROVE AN OWNER PARTICIPATION AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY (RDA) AND HOTEL FRESNO, LLC FOR THE HOTEL FRESNO REHABILITATION PROJECT, AS AMENDED

Project Manager Barletta gave an in-depth review of the issue and recommended approval, all as contained in the staff report as submitted.

Hotel Fresno managing partner Jake Khojikian from Pasadena, CA, stated he was available to answer questions and added since they purchased the building four years ago they have worked extensively trying to get a loan and this was the closest they have gotten.

Ms. Barletta, DCR Director Scharton and Executive Director Murphey responded to questions of Member Baines relative to the letter from Johnson Capital, if a loan was secured, the HUD application process, and leveraging of funds (\$7 for every \$1). Member Baines stated he visited other projects of this developer and spoke to the quality of work/design/architecture, stated he was fully supportive of the project and the developer was taking a big risk, and made a motion to approve staff’s recommendation. Ms. Murphey clarified the motion would be approval of staff’s recommendation, as amended, confirming the requirements of HUD including exhibits referenced by Ms. Barletta regarding reserves.

Member Brand presented questions/comments/concerns at length relative to income and expense numbers, if staff reviewed and supported the numbers, appraisal, developer financial contribution, pro forma and if number of units was included, cost per square foot, number of parking stalls, feeling that rent numbers are exaggerated (**6 – 0**), insurance numbers/property taxes/disagreement with numbers, feeling that a shortfall/loss will be seen, and the City taking a risk by subsidizing the project, with Ms. Barletta, Mr. Scharton and Mr. Khojikian responding throughout. Ms. Barletta stated the correct numbers were listed on Exhibit C and clarified the numbers/documentation Member Brand was referring to should not have been submitted to members as they were preliminary numbers. Member Brand stated the rents in both documents were overstated and not right based on his expertise.

Mr. Khojikian, Ms. Murphey and City Attorney Sanchez responded to comments and questions of Member Borgeas relative to the \$1.9 million package consisting of a \$1 million loan and a \$900,000 grant, the developer’s attempts to get financing, if a conventional loan was possible in this current market, if there was any discussion on treating the entire \$1.9 million as a loan, the developer’s reputation of doing great projects but there being a need to look into the details, there possibly being a need to delay this matter to obtain additional information, and if the loan terms could be changed to turn the \$900,000 grant fully into a loan and condition that on demonstrated financial viability of this project.

Member Xiong stressed the developer worked hard and followed the process to get to a final phase of a guaranteed loan, he felt the Agency needed to move forward on this with the package presented, if loan conditions/dynamics change it could impact the request with HUD, and urged the Agency to support the motion stating there was sufficient evidence to show the project was viable, with Ms. Barletta and Ms. Murphey responding throughout. Member Baines stated although he was not an expert in rents or property management he could say, in terms of all the downtown projects, no one had a crystal ball, stated some developers have taken losses in the past with their projects, added the developer up to this point has put in almost \$3 million of their own money and has shown they are committed to the project, and RDA dollars were being leveraged to over \$7 for every \$1, and stated this was a good project, the developer was asking for assistance and not a hand out, and his motion stood. Discussion continued on ability to change the grant to a loan and OPA language/requirements on sufficient funding to complete the project. Member Borgeas reiterated his issue was the grant stating converting the entire amount to a loan made it more attractive, and noting legitimate concerns were raised, documentation was mistakenly submitted, and there were some timing issues made a friendly amendment to the motion to convert the grant into a loan conditioned upon a “prove up” period and demonstrating/reporting back by a date certain on the project’s full market viability. Member Xiong encouraged Member Baines to stay the course and not accept the amendment, stated he would not support the amendment as he believed what was provided was sufficient, and he wanted to see a vote take place and elaborated further.

Member Borgeas questioned the timeline for the HUD loan process, if the application would be sent out within the next two weeks, and if it would be difficult to change loan terms, with Ms. Barletta, Mr. Sanchez and Mr. Khojikian responding. Member Baines stated he appreciated what was trying to be achieved but he agreed with Member Xiong and the developer that the process could be impeded even more and the formula could be thrown out of whack if changes are made **(7 – 0)**. Vice Chair Olivier stated he met with developer Romi Beghgegian and acknowledged his beautiful work but stated at this point he had to come down on the side of caution and would vote ‘no’ but would support Member Borgeas’ amendment. Chair Westerlund stated he was also a ‘no’ vote as this project made no sense at all to him, he has always been skeptical of the project, and he would support a delay to clear things up. Member Xiong stated if the reason for non-support is about being rushed because of the state the Agency was being hypocritical and all the other projects should not have been approved.

Member Brand acknowledged the developer’s good work and stated they were trying to do the right thing and had good intentions and apologized if he came across too hard. Mr. Khojikian stated they did the Virginia Hotel with no city subsidies and were doing the Mayflower now and offered to give tours, added in the past four years they have invested \$3 million on the Hotel Fresno with the hotel just sitting there, and stated they still felt this was a beautiful project, they were dedicated to the revitalization of downtown, and the City had the right people in their hands to do this project yet they were being turned away and he did not understand that. Member Brand clarified motives and integrity were not being questioned at all, stated his job was to look after taxpayer dollars and further elaborated, and stated he hoped he was wrong but the market was what it was, based on his perspective he did not see this project penciling out, and he felt \$2 million more in equity would pencil out.

Member Baines stated it would be hypocritical to change loan terms today, numerous projects were just approved as staff proposed them, he understood concerns about being rushed but stated the reality was that was done all day today and was done all last month, and stated he supported the project as presented; stated this project may make money or it may not but that risk was being taken with every single project presented; and stated to change this now was the wrong thing to do and would send the wrong message. Chair Westerlund stated he respectfully disagreed as each project stood on its own, each project presented did not have to be approved because staff was recommending that, and it was the Agency’s duty to do their due diligence and look hard at the numbers and what is presented by staff. Member Borgeas stated he voted against 4 or 5 projects today as he was unfamiliar with them, it was important to vote on things you have confidence in and if you don’t a way should be found to provide safeguards which was what he tried to do with this project to protect the city’s interests, and stated a change would not affect the HUD loan in terms of timeline and further explained.

Relative to the two different pro formas Mr. Scharton stated that was simply a matter of printing out the wrong document as opposed to using staff’s report, speed did not affect the quality of the work, haste led to inaccurate printing -- not inaccurate numbers, and the numbers included in staff’s report which the Agency needed to base its decision on were valid and staff stood behind them.

Vice Chair Olivier stated with the changes proposed by Member Borgeas he would support the project right now with Member Borgeas concurring. With Mr. Khojikian accepting the change Member Baines amended his motion as proposed by Member Borgeas.

On motion of Member Baines, seconded by Member Quintero, duly carried, **RESOLVED**, the finding of a CEQA Categorical Exemption hereby adopted, and the subject OPA between the Redevelopment Agency and Hotel Fresno, LLC hereby approved, as amended, changing the \$900,000 grant to a full loan and conditioned upon the developer reporting back with proper documents and demonstrating the project’s viability within two weeks, by the following vote:

Ayes	:	Baines, Borgeas, Olivier, Quintero
Noes	:	Brand, Xiong, Westerlund
Absent	:	None

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**(‘O’) JOINT RESOLUTION – AUTHORIZING THE EXECUTION OF A COOPERATIVE AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY (RDA) AND THE CITY OF FRESNO FOR THE EXPENDITURE OF TAX INCREMENT FUNDS FOR SPECIFIED PUBLIC IMPROVEMENTS AND REDEVELOPMENT ACTIVITIES, AND ADOPTING FINDINGS REQUIRED BY HEALTH AND SAFETY CODE SECTION 33445**

Chair Westerlund introduced the item and thanked RDA and finance staff for all their work, and along with Executive Murphy gave an in-depth overview of the issue and recommended approval, all as contained in the staff report as submitted.

Councilmembers Borgeas, Brand and Olivier all thanked Chair Westerlund and staff for all their work on this matter but stated they could not support the resolution and felt Proposition 22 was the strongest argument against the governor's budget proposal.

Chair Westerlund made a motion to adopt the resolution and upon call the motion died for lack of a second. There was no further discussion.

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## **ADJOURNMENT**

There being no further business to bring before the City Council, the hour of 7:33 p.m. having arrived and hearing no objection, Chair Westerlund declared the meeting adjourned.

*Approved* on the \_\_\_\_17th\_\_\_\_ day of \_\_\_\_ March\_\_\_\_, 2011.

_____/s/_____ Larry Westerlund, Agency Chairman	ATTEST: _____/s/_____ Yolanda Salazar, Assistant City Clerk
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